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February 9, 2023

To: The Honorable Melony Griffith  
Chair, Finance Committee

From: Steven M. Sakamoto-Wengel  
Consumer Protection Counsel for Regulation, Legislation and Policy

Re: Senate Bill 178 – Business Regulation – Sale of Motor Fuel – Signage  
(SUPPORT)

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I am writing to express the support of the Consumer Protection Division for Senate Bill 178, sponsored by Senator Kagan, which would require service stations to post signs listing the credit and debit price for gasoline, if the service station accepts credit and debit cards, and the cash price, rather than the lowest price, which is the requirement under current law. The Division regularly receives complaints from consumers who drive into a gas station in response to a sign advertising the price per gallon only to find when they get to the pump that the actual price is higher unless they pay with cash.

A survey reported by Statista showed that the substantial majority of gas purchases are made with credit and debit cards, not cash. <https://www.statista.com/statistics/294113/payment-preference-gas-station-us-2013/> The survey found that, in 2018, 85% of consumers used debit cards or credit cards when paying for gas and only 15% paid cash. Consequently, the price displayed to the public should be the price that most consumers will be paying, not the price available only to a small minority of consumers. Signs identifying both the cash and credit prices would similarly accomplish the goal of informing consumers of the actual price they will be paying *before* they drive into the station.

Nothing in Senate Bill 178 prohibits a service station from charging different prices for cash and credit purchases – rather the bill solely requires that prices disclosed on the station's signs be the price that consumers are most likely to pay. Many service stations already use signs that display both the cash and credit prices so consumers know what they will be charged before they enter the station.

The price that most people would pay—the credit price—is material information and displaying the lower cash price for gas without also conspicuously displaying the higher credit price would constitute an omission of material information, the omission of which misleads consumers. However, Senate Bill 178 would be helpful because it would expressly require that both the cash and the credit price be displayed on the same sign.

Accordingly, the Consumer Protection Division respectfully requests that the Senate Finance Committee give Senate Bill 178 a favorable report.

cc: The Honorable Cheryl Kagan  
Members, Finance Committee